

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 162 – HB 252

February 7, 2011

SUMMARY OF BILL: Extends the termination date of the Real Estate Commission to June 30, 2013. Under the *Tennessee Governmental Entity Review Law*, the Commission was scheduled to terminate on June 30, 2010, and is currently in wind-down. Removes the requirement that a real estate firm, broker, affiliate broker, time-share salesperson or acquisition agent must complete all mandatory educational requirements before being placed on temporary retirement. Eliminates the authority of a broker or affiliate broker, upon request, to place a license in inactive status. Requires completion of 16 hours of continuing education prior to reactivation of a temporarily retired license. Eliminates the “inactive status” and the present procedure for reactivating a retired or inactive license.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$6,000/One-Time/Real Estate Commission

Other Fiscal Impact – According to the Department of Commerce and Insurance, the one-time expenditures of \$6,000 can be accommodated within the existing resources of the Real Estate Commission without raising licensure fees. In FY09-10, the Commission had a closing balance of \$208,600 and a total balance of \$2,372,900.

Assumptions:

- This bill continues an existing entity at its current funding level.
- The Real Estate Commission will incur one-time expenditures of \$5,000 for rulemaking and \$1,000 for modifications to the computer system to recognize the new requirements.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting over a two-year period. The Real Estate Commission had closing balances of \$208,592.13 in FY09-10 and \$2,164,272.50 in FY08-09.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact style than the last name "White".

James W. White, Executive Director

/jdb